

27 December 1951

Mr. Donald S. Dawson
Administrative Assistant to the President
The White House
Washington 25, D. C.

Dear Mr. Dawson:

Your letter of 13 July 1951 to the Director of Central Intelligence instructed the Central Intelligence Agency to undertake the necessary administrative action to regularize Mr. Gray's entry on duty as Director of the Psychological Strategy Board, and in the event that Mr. Gray desired to appoint a Deputy Director, to undertake to give similar administrative support to such Deputy Director and pay his compensation at a rate not to exceed \$11,000 per year.

At that time it was contemplated that such Deputy Director would have an equivalent rating of a GS-13, the salary for which position was \$11,000 a year. By recent legislation this figure has now been raised to \$11,800. With the consent of the Bureau of the Budget a position was established as a GS-13 for such Deputy Director, which position Mr. Gray now wishes us to fill at the salary of \$11,800. Technically, this is in conflict with your instructions of 13 July. I would, therefore, appreciate an amendment to the last paragraph of your letter of 13 July, and respectfully suggest that the amendment read that such Deputy Director be appointed at grade GS-13.

Sincerely yours,

Walter Reid Wolf
Deputy Director

Distribution:

[Redacted Box]

DD/A chrono

STAT

CONFIDENTIAL

THE WHITE HOUSE

Washington

July 18, 1951

My dear General Smith:

By the Presidential Directive of April 4, 1951, to the Secretary of State, the Secretary of Defense and the Director of Central Intelligence, there was established the Psychological Strategy Board and, under the Board, a Director to be designated by the President and to receive compensation at the rate of \$16,000.00 per year. The President has now designated Mr. Gordon Gray to be the Director and Mr. Gray entered on duty on 2 July.

In order that Mr. Gray may properly perform his duties as Director and organize his staff, it will be necessary for the Departments of State and Defense and the Central Intelligence Agency to afford him and his staff certain administrative support. Those Departments and the Central Intelligence Agency will arrange among themselves, with the approval of the Bureau of the Budget, for effective support as requested by Mr. Gray. In accordance with the President's instructions it is specifically requested that the Central Intelligence Agency undertake the necessary appointment action to regularize Mr. Gray's entry on duty as of 2 July, to continue necessary personnel actions in connection with the position of Director of the Board and to pay the Director's compensation at the rate of \$16,000.00 per year commencing with the effective date of his entrance on duty.

In the event that Mr. Gray desires to appoint a Deputy Director to assist him in the performance of his functions, it is requested that the Central Intelligence Agency undertake to give similar administrative support to the Deputy Director and pay his compensation at a rate not to exceed \$14,000.00 per year.

Sincerely yours,

/s/ Donald S. Dawson
Administrative Assistant to the President

General Walter B. Smith
Director, Central Intelligence Agency
Washington, D.C.

CONFIDENTIAL